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June 14, 2000

Redacted – For Public Inspection

Ex Parte Submission

Magalie Roman Salas, Esq.
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

ORIGINAL

Re: CC Docket No. 00-65, Application of SBC Communications Inc., *et al.*, for Provision of In-Region InterLATA Services in Texas

Dear Ms. Salas:

AT&T Communications, Inc. ("AT&T") submits this letter at the Staff's request and in response to certain factual assertions in the reply brief and affidavits submitted on May 19, 2000 by SBC Communications Inc. ("SBC"), concerning SBC's operations support systems ("OSS"). AT&T will confine its response to those matters in SBC's reply that involve: (1) SBC's performance data for April 2000, most of which post-date the filing of SBC's latest application; or (2) misstatements that SBC made for the first time in its reply comments. For the reasons stated below, SBC's reply submission does not alter the fact, demonstrated in the evidence previously presented by AT&T, that SBC does not provide nondiscriminatory access to its OSS.

I. Versioning

Events last week have already belied SBC's assertion that "versioning will be implemented with the July 22, 2000 EDI/LASR release." *See* Supplemental Reply Affidavit of Elizabeth Ham ("Ham Supp. Reply Aff."), ¶ 122. On June 5, SBC issued an Accessible Letter announcing a 3-week delay in the deployment date for the July 22nd release, on the ground that

SBC is "running behind schedule on its internal testing" due to that release's complexity and proximity in time to its recently-implemented May 27 release.[1]

SBC's postponement is but the latest instance of its failure to implement the TPUC's July 1998 order requiring implementation of versioning by January 15, 2000. SBC initially explained its failure to comply with the January 15 deadline by asserting that it had no release planned for that date, and instead "committed" to implement versioning with the first release of 2000. Then, when it issued its LIDB Phase I release in January, SBC asserted that it was not required to implement versioning with this "special" release but would do so with its first "regular" 2000 release. SBC later reneged on that commitment and postponed versioning to July, on the ground that versioning was a complex undertaking. *See* Dalton/DeYoung Initial Decl., ¶¶ 41-42. In view of this pattern of delay, SBC's professed "commit[ment] to support versioning" can be given no weight. *See* Ham Supp. Reply Aff., ¶ 121.

As a result of SBC's constant postponements, SBC is essentially asking this Commission to approve its application without any proof that it can, and does, successfully provide versioning. The Commission should not countenance such a result. The evidence shows, and SBC does not dispute, that the implementation of versioning is an indispensable component of the nondiscriminatory access to OSS that SBC is required to provide under Section 271. Until SBC has actually implemented versioning, its application is premature.

II. Test Environment

Perhaps the most remarkable aspect of SBC's reply filing is its express acknowledgment that its test environment does not mirror its production environment. In its reply brief, SBC states that its test environment is "designed to test application functionality, *not to emulate production* or test specific response times." Reply Brief in Support of Supplemental Application of Southwestern Bell ("SBC Reply Br.") at 60 (emphasis added). Similarly, Ms. Ham states in her reply affidavit that "SBC's test environment was not designed to test flow through or response times but to test application functionality." Ham Supp. Reply Aff., ¶ 127. Although this would be a serious deficiency in any event, it is particularly problematic for CLECs because of SBC's failure to implement versioning in EDI. As a result of these

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[1] *See* SBC Accessible Letter No. CLECSS00-084, dated June 5, 2000 (a copy of which is attached hereto as Attachment 1). Although SBC's Accessible Letter offered to adhere to the original implementation date of July 22 if the CLECs so desired, it also cautioned that SBC "is concerned about the potential impacts that this might have on the CLECs' own testing." *Id.* Indeed, CLECs had no choice but to acquiesce in the proposed postponement, because no reasonable CLEC would proceed with carrier-to-carrier testing unless and until SBC successfully completed its own internal testing.

deficiencies, CLECs must use a new EDI release in the production environment without any assurance that they can submit orders successfully (an assurance that could only be obtained if the test environment mirrored the production environment) and without the ability to continue using the previous release (an ability that only SBC can provide, through versioning).

Furthermore, contrary to SBC's assertion, SBC's test environment does not "compare[ ] very favorably" to that of Bell Atlantic in terms of mirroring the production environment. *See id.*, ¶ 132; SBC Reply Br. at 60.[2] The SBC test environment does not contain a number of the characteristics of BA-NY's test environment that are important and, in some, cases, were cited by the Commission as evidence that BA-NY's environment was adequate.[3] For example:

- BA-NY's test environment for pre-ordering and ordering was subjected to a comprehensive, thorough evaluation by KPMG, which determined that it mirrored the production environment. *Bell Atlantic New York Order*, ¶ 110; *see also Bell Atlantic New York Order*, ¶ 121. By contrast, Telcordia has no plans to test or "exercise" SBC's test environment. Chambers/DeYoung Supp. Decl., ¶ 147.

- For its test environment, BA-NY developed a baseline validation test deck – *i.e.*, a compilation of transactions designed to test whether a new release produces expected results. *Bell Atlantic New York Order*, ¶ 110 & n.305, 121 & n.342. SBC has not done so. Chambers/DeYoung Supp. Decl., ¶ 45; Chambers/DeYoung Supp. Reply Decl., ¶ 52 & Att. 8 at 1.

- Unlike BA-NY, SBC does not guarantee that, in testing each subsequent SBC release, CLECs may use the test accounts that they used in previous joint testing. Although SBC maintains that "once an account has been established

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[2] SBC bases its assertion on AT&T's purported "definition" of a suitable test environment in the Section 271 proceeding involving BA-NY's application. Ham Supp. Reply Aff., ¶ 128 & n.28; SBC Reply Br. at 60-61. As the comments that SBC cites make clear, however, AT&T gave no such "definition," but set forth deficiencies in the particular test environment designed by BA-NY. Ham Supp Reply Aff., Att. S. AT&T's comments in the BA-NY proceeding certainly did not address the additional concerns that it had about the significantly different (and inferior) test environment designed by SBC.

[3] *See Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York*, CC Docket No. 99-295, Memorandum Opinion and Order, 15 FCC Rcd 3953 (1999) ("*Bell Atlantic New York Order*"), ¶¶ 109-110, 119-122.

for a CLEC on the test environment, it remains available" (Ham Supp. Reply Aff., ¶ 132), SBC has made clear that CLECs should *not* assume that test accounts used in previous testing will be available in any testing of a subsequent SBC release. Instead, upon each new release, CLECs must contact SBC to determine whether previously-used accounts are available for the new testing. Chambers/DeYoung Supp. Decl., ¶ 45; Chambers/DeYoung Supp. Reply Decl., Att. 8 at 1.

- BA-NY's test environment is automated to the same extent as its production environment. Thus, orders that flow through in BA-NY's production environment will flow through in the test environment. Status notices, including completion notices, are generated in BA-NY's test environment to the same extent as they are in the production environment. By contrast, SBC's test environment is characterized by a high degree of manual activity. AT&T, for example, must call SBC after it sends test orders. SBC must manually retrieve test orders after receiving them and then literally hand-carries the orders through its systems. And, rather than generate completion notices automatically, SBC calls AT&T and asks whether AT&T wishes to receive a completion notice for a particular test order. *See* Chambers/DeYoung Supp. Decl., ¶ 43; Chambers/DeYoung Supp. Reply Decl., ¶ 51 & Att. 8.[4]

III. Lost Orders

Although SBC asserts that its OSS "are operationally ready to support CLEC competitive entry into the local market" (Ham Supp. Reply Aff., ¶ 134), the evidence clearly shows that SBC remains far short of meeting its OSS obligations. In the most recent illustration

[4] The implementation of SBC's May 27 release provided yet another example of the failure of SBC's test environment to mirror the production environment. At a Change Management Process meeting held on June 7, Birch Telcom stated that all of its UNE-P orders submitted since May 27 – on which it had populated the ECCKT field – had been rejected, even though no such problems had occurred in its testing of the May 27 release with SBC. Statements made by SBC at the June 7 meeting revealed that the rejections had occurred because SBC had erroneously updated the applicable SEC code table entry (for 8db loop with port) with the 5db loop SEC code in its production environment – but not in the test environment. Because the ECCKT in Birch's LSRs did not match the "updated" codes, they were rejected in the production environment. Based on communications with Birch since that time, it is AT&T's understanding that even when Birch subsequently submitted orders without populating the ECCKT field, its orders experienced substantial delays in processing and in the return of FOCs and rejection notices.

of SBC's lack of operational readiness, AT&T submitted a number of orders that were subsequently lost in SBC's systems (*i.e.*, that received no firm order confirmation or rejection notice from SBC). Specifically, on May 13 AT&T submitted 48 fixed wireless orders via the EDI interface, for which it received electronic acknowledgments ("997s") back from SBC. On May 22, AT&T contacted SBC to determine the status of these orders because none of them had received either a FOC or a rejection notice. Because of the obvious risks of delay that lost orders pose to the provision of customer service, AT&T requested SBC to provide promptly a root cause analysis and an action plan for preventing this problem in the future.[5]

In an electronic mail message to AT&T on May 26, SBC stated that the 48 orders had not been processed due to "mistakes that were made during manual correction of processing problems that occurred" on May 13. *See* electronic mail message from Bob Bannecker (SBC) to Walt Willard (AT&T) dated May 26, 2000 (Attachment 3 hereto). SBC not only failed to elaborate, but then inconsistently stated that "the specific cause of failure may never be known." *Id.* Equally disturbing, SBC suggested that it had no system for tracking orders submitted by CLECs, because it stated that "an additional control, in the form of an audit report, is being developed to help ensure that all files received are processed." *Id.* After finding the 48 misplaced orders, SBC compounded the problem by erroneously rejecting 35 of these orders back to AT&T, requiring AT&T to submit supplemental orders.

Although SBC maintained in its May 26 message that to the best of its knowledge, "May 13, 2000 is the only time a problem of this type occurred" (*id.*), the inadequate explanations that SBC has provided thus far as to the cause of the occurrence provide no assurance that the scenario will not repeat itself. During a June 2 call scheduled to discuss the cause of the problem and SBC's proposed solution, SBC stated that it had experienced a "hardware-related problem" on the morning of May 13. SBC, however, refused to describe the problem on the ground that it was "irrelevant" because the root cause of the loss of orders was human error (the "hardware-related problem" had caused SBC to manually restart processing on CLEC orders that it believed to have been impacted). SBC also stated, however, that safeguards in its system had not worked.

This "lost orders" incident reveals three significant deficiencies in SBC's processes. First, in view of SBC's promise to implement an "audit report" that would "flag" any future lost orders problems, it is clear that SBC has not established an automated order management, tracking and recovery system for its wholesale support processes, even though such capability is a standard operating practice in the telecommunications, banking, and other industries that must process large volumes of electronic orders among trading partners. The need for such a validated and proven transmission tracking system is particularly great in the context

[5] *See* letter from Walt Willard (AT&T) to Paul O'Sullivan (SBC), dated May 26, 2000 (attached hereto as Attachment 2).

of SBC's OSS, where CLEC orders must traverse through a long chain of wholesale and legacy systems (where orders and status notifications can be lost as the orders are handed from one system to another).

Second, the lost orders incident revealed that SBC is not proactive in notifying CLECs of problems in its OSS. In this case, SBC failed to notify AT&T of the problem because it "believed that there was no impact to the CLECs except for slightly delayed responses to orders, which would have been captured in the Performance Measurements." *See* Attachment 3 hereto. As the loss of AT&T's orders demonstrates, however, the actual impact of a particular OSS problem on CLECs may be far more severe than SBC "believes." That is why CLECs need to be notified of *any* problem which might affect CLECs, however "slight" that problem might appear to SBC. Despite the critical, customer-impacting issues that lost orders and suspended processing present, SBC has resisted – as recently as on June 6 in TPUC performance review sessions – adopting performance measurements that would capture lost orders.[6]

Third, SBC is unwilling to provide an adequate root cause analysis of CLEC-affecting problems in its system, even though such an analysis is obviously essential to resolving a problem (and preventing its recurrence). Although SBC had described this lost orders problem as a one-time occurrence, the fact that human error was involved and that (by SBC's own admission) SBC's existing "safeguards" failed strongly indicate that the problem is far more extensive.

IV. Rejection and Jeopardy Notices

Although SBC suggests that the percentage of manual rejects *declined* in April (Ham Supp. Reply Aff., ¶ 60), SBC's April performance data show that the rate of manually prepared rejection notices as a percentage of total rejection notices *increased* to 34 percent, from 32 percent in March. Chambers/DeYoung Supp. Reply Decl., ¶ 38.[7] The April performance

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[6] *See* electronic mail message from Sarah DeYoung (AT&T) to Eric Brainman, *et al.*, dated June 5, 2000 (attached hereto as Attachment 4) (proposing performance measures for lost orders for TPUC workshop).

[7] SBC's extensive reliance on manually prepared rejection notices to notify CLECs of order errors is a denial of parity, not only because its own retail operations enjoy thousands of front-end edits (as contrasted with the thousands of back-end SORD edits that result in manual rejects for CLEC-submitted orders), but also because any downstream errors that cause retail orders to "error out" are automatically detected and returned via the SORD edits program (in contrast to errors detected by SORD in CLEC-submitted orders, which are resolved manually by SBC). *See* Chambers/DeYoung Supp. Decl., ¶ 73 n.31; Chambers/DeYoung Supp. Reply Decl., ¶ 20 & n.17. SBC, in fact, has testified that SORD "sends immediate notice" to the EASE interface

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data also show that SBC still fails to return manual rejects in a timely manner. SBC reported that it returned only 81.6 of manually created rejection notices within the TPUC's five-hour standard – far short of the established standard of 97 percent, and only a slight improvement over the rates for February and March. *See* Chambers/DeYoung Supp. Reply Decl., ¶ 40.

SBC contends that it moved "at least 146 edits to LASR in 1999." Ham Supp. Reply Aff., ¶ 64. This is incorrect, and totally inconsistent with SBC's February 4, 2000 *ex parte* submission, which stated that SBC had introduced only *27* front-end electronic edits in 1999 – 10 in its May 1999 release and 17 in its October 1999 release.[8] SBC's recently-revised figure is based on its assertion that (1) over 90 edits were moved up to LASR/MOG in a single EDI/LASR release in October 1999; and (2) "56 SORD edits were moved to LASR in January 1999." *Id.* However, the 56 SORD edits to which SBC refers were *manual* error codes that were introduced into the LASR/GUI – not into the front-end LASR or MOG systems. *See id.*; Chambers/DeYoung Supp. Decl., Att. 14 at 3. Furthermore, as previously indicated, the "over 90 SORD edits" that SBC moved in its October release actually amounted only to an additional 17 front-end edits. Ham Reply Aff., ¶ 104.[9]

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which SBC uses to submit most of its retail orders. Transcript of April 3, 1998 presentation in TPUC Project No. 16251, pp. 90-91 (SBC Application, App. C-1, Vol. 1, Tab 6).

[8] *See ex parte* letter from Austin C. Schlick, Esq., to Magalie Roman Salas, dated February 4, 2000, and Attachment 3 thereto (relevant pages of which are attached hereto as Attachment 5) (attaching summary identifying 27 "edits that were moved from SORD edits to MOG- and LASR-fatal errors, with supporting Accessible Letters," for SBC's May, August, and October 1999 releases).

[9] SBC's claim that AT&T has not proposed that "particular" or "specific" SORD edits be moved up front in the CMP or in a change request to its Account Manager is highly misleading. *See* Ham Supp. Decl., ¶¶ 67, 76; SBC Reply Br. at 46-47. For several years, AT&T has consistently requested SBC in various forums to implement as many front-end edits as possible to minimize the number of manually created rejection notices. *See, e.g.*, Chambers/DeYoung Supp. Decl., ¶ 106 & Att. 14 (describing numerous instances in which AT&T raised before the TPUC the issue of SBC's failure to improve its front-end capability). SBC has consistently identified itself as the "driver" for purposes of making such changes, making clear that SBC was not depending upon (or receptive to) CLEC proposals regarding the movement of specific edits from SORD. Both before and after the CMP processes were implemented in the fall of 1999, SBC has repeatedly maintained that it alone would determine what edits should be moved forward. *See, e.g.*, Chambers/DeYoung Decl., Att. 14 at 3 (entry for January 25, 1999). No entity other than SBC has access to the all-CLEC error trend data that would provide some indication of which

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SBC once again denies that any reduction in rejection rates is due, at least in substantial part, to its transition (in mid-January 2000) to returning jeopardy notices, rather than manual reject notifications, when errors are detected after SBC returns a firm order confirmation. Indeed, SBC maintains that (1) "jeopardy notices have increased less than two percent" from December to April; and (2) AT&T's "jeopardy notices have *decreased* in the past three months." SBC Reply Br. at 45 (emphasis in original). These assertions are incorrect, as SBC's own data (attached to the Noland/Dysart Supplemental Affidavit) show. The total number of jeopardy notices issued to CLECs has increased from 1,297 in December to 7,918 in April – an increase of more than 500 percent. Indeed, in April the number of jeopardy notices not only increased by more than 1,700 from the March total but accounted for a greater percentage of total LSRs than in March (5.22% in April, as compared to 4.61% in March). Noland/Dysart Supp. Reply Aff., Att. Q.

SBC's own data also show that the number of jeopardy notices sent to AT&T has increased between February and April. According to these data, AT&T received a total of [XXXX] jeopardy notices in April, an increase over the [XXXX] received in February and the [XXXX] received in March. *Id.*, Att. O.

Finally, SBC's performance in returning jeopardy notices is inadequate in a number of respects. SBC continues to send jeopardy notices that are clearly inaccurate. *See* Chambers/DeYoung Supp. Reply Decl., ¶ 36. For example, in response to the UNE-P migration orders that AT&T submitted on May 30, SBC sent 22 jeopardy notices with the description, "Facility Shortage." SBC's description is illogical, since no facilities should have been involved on such migration orders. Similarly, for another May 30 migration order SBC sent a jeopardy notice with the description, "Verify Address or Provide Nearby TN" -- even though SBC previously indicated that such information would not be required on an LSR after implementation of its May 27 release.

Although SBC has attributed this address jeopardy to an error by one of its service representatives, it has stated that the "facility shortage" notices resulted from SBC's failure to populate the corresponding internal "C" (change) service orders with an assigned house number ("AHN"), which resulted in an "address mismatch."[10] This explanation points out a deficiency

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SORD edits should be assigned priority in the process of introducing additional LASR/SORD electronic edits.

[10] *See* electronic mail message from Bob Bannecker (SBC) to Julie Chambers (AT&T), dated June 12, 2000 (attached hereto as Attachment 6). Assigned house numbers, often used for rural addresses, are additional information (such as a post office box number) provided to assist SBC in locating the CLEC's customer.

with SBC's May 27 release: although SBC represented that implementation of the release would "eliminate the possibility of the service address being different on the 'C' and 'D' orders, which previously had the potential of causing service disruptions" (Ham Supp. Reply Aff., ¶ 84), instead the AHN programming error *increased* the risk of a discrepancy. In these cases, it appears that the record indicator directing the re-use of existing facilities on UNE-P migration orders was ignored, and a jeopardy notice was issued due to a facility shortage. This raises a number of still-unanswered and unresolved questions, such as whether other migration orders for which SBC did not issue jeopardy notices nonetheless similarly resulted in customers being moved off of existing facilities.[11]

In any event, SBC's explanation does not fully account for the issuance of the "facility shortage" jeopardy notices, six more of which SBC has returned in response to UNE-P migration orders that AT&T submitted last week. AT&T's own preliminary review found that, of the 22 jeopardy notices sent with this description for the May 30 orders, none included an AHN. Although AT&T's analysis is still in progress, it has determined that some of these notices included incorrect ECCKTs (which SBC supplies on the Firm Order Confirmation) due to SBC's erroneous updating of the applicable SEC code entry for 8db loop with port. *See* fn. 4, *supra*. If SBC is, in fact, populating AT&T's orders with incorrect ECCKTs (and erroneously moving AT&T's customers to 5 db loops), this may be responsible for at least part of the facility shortage problem.[12] The possibility that SBC is doing so is supported by the fact that, of the "facility shortage" jeopardy notices that AT&T has received for its UNE-P migration orders submitted on May 30 and last week, all but two of the notices had a different ECCKT than what AT&T normally receives on its UNE-P FOCs. Even if customers were not in fact moved off of existing facilities in provisioning these migration orders, SBC's return of invalid ECCKT data will have adverse impacts. For example, AT&T, and presumably other CLECs, store the ECCKT in order to meet SBC's requirement that the ECCKT be included on subsequent order activity.

In addition to the inaccuracies in its jeopardy notices, SBC has provided a substantial number of such notices *after* the due date. SBC also improperly uses jeopardy notices to report problems that should have been detected before a FOC was returned. *See* Chambers/DeYoung Supp. Decl., ¶ 112 & n.52; Chambers/DeYoung Supp. Reply Decl., ¶ 34.

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[11] AT&T has requested that SBC provide further information about these jeopardy notices, but SBC has not yet responded to AT&T's request.

[12] AT&T has requested SBC to research this issue as well, but SBC has provided no information to AT&T to date.

V. Other April/May Performance Data Issues

SBC asserts that its performance reports for April show "[c]ontinued performance improvement," and demonstrate that it is providing parity of access to its OSS. *See* SBC Reply Br. at 3. In fact, however, SBC's April performance data show that SBC has failed to provide nondiscriminatory access in numerous respects. For example:

- For loop orders submitted by AT&T, SBC returned only 72.7 percent of service order completion notices ("SOCs") within one day of work completion (PM 7.1), a decline from the March rate of 82.5 percent, even though order volumes decreased (from [XX] in March to [XX] in April).[13] The failure of SBC to return SOCs in a timely manner delays the posting of completed orders to SBC's legacy billing systems, thereby exposing AT&T's customers to continued (and incorrect) bills from SBC, as well as the risk of double billing. *See* DeYoung UNE-L Decl., ¶¶ 180-202; Chambers/DeYoung Supp. Decl., ¶ 118. Indeed, in April SBC's posting timeliness on AT&T's completed 8db loop orders declined, even though the number of such orders decreased.[14]

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[13] SBC asserts that the lengthy average times that it reported for March with respect to the time for returning FOCs and mechanized SOCs via EDI (PMs 6-07 and 8-02) and the mean time for returning manual rejects (PM 11.1), were caused by a request that AT&T made in March "for a resend of its files (of approximately 80-90 transactions) because certain returned LSRs were missing data." Ham Supp. Reply Aff., ¶ 104. Furthermore, SBC asserts, AT&T "waited approximately six weeks before requesting a resend." *Id.*, ¶ 105. Although SBC provides no additional details, AT&T is unaware of any request for a resend that it has made that fits SBC's description. In any case, SBC's explanation is illogical. The three performance measurements in question could not have been significantly affected by "approximately 80-90 transactions" of AT&T, since they encompass *all* CLECs – not merely AT&T. Furthermore, FOCs, SOCs, and rejection notices would not be data that "returned LSRs were missing."

[14] Of the [XX] AT&T 8db loop orders posted in April, none were posted within 1 day, and the posting of 46 percent was delayed more than 5 days. This performance was even worse than that rendered by SBC for [XX] AT&T orders rendered in March, when the posting of 97.2 percent of orders was delayed by more than one day, and 41.3 percent by more than 5 days. *See* Chambers/DeYoung Supp. Reply Decl., ¶ 76. SBC's April performance is also still worse in some respects than its August 1999 performance. *See* DeYoung UNE-L Decl., ¶ 189 (in August 1999, 91 percent of AT&T's 8db loop orders were delayed at least 1 day in posting, and 23 percent were delayed 5 days or more).

- SBC's late posting is also reflected in its performance in the area of "billing completeness" (PM 17) -- the percentage of orders completed within a CLEC's billing cycle that post prior to the customer's bill period. For AT&T's loop orders submitted in April, SBC's billing completeness rate was only 72.5 percent, a decline from *96.6 percent* in March. The April rate also continues SBC's pattern of unstable performance in this area. *See* Chambers/DeYoung Supp. Decl., ¶ 131 n.58 (describing rates since November).

- For the seventh consecutive month, SBC failed to report any data for AT&T for Percent of Accurate and Complete Formatted Mechanized Bills (PM 15) and for Wholesale Billing Timeliness (PM 18), because of SBC's policy not to capture UNE wholesale billing (including wholesale bills for UNE-P orders) in those measurements. Chambers/DeYoung Supp. Reply Decl., ¶ 73. Thus, SBC's all-CLEC data showing performance of or about 100 percent for these measurements cannot be considered reliable.[15]

SBC's reported performance data do not even fully capture its failure to provide nondiscriminatory access to its OSS. For example, SBC's refusal to include any UNE ordering activity in Wholesale Billing Timeliness (PM 18) masks its deficient performance in that area with respect to AT&T. For the bill period closing on May 5, SBC was contractually bound to deliver wholesale billing no later than May 15 — 10 calendar days following the bill close date. As of May 15, however, SBC had only delivered wholesale billing for 3 of the 16 AT&T BANs. The final BANs were not processed and delivered until May 30, 25 days following the bill close

[15] SBC attributes the deterioration in its performance in March on Wholesale Billing Timeliness (PM 18) to a one-day delay in its first-of-the-month bills to retail and wholesale customers. SBC contends that it delayed billing in order to correct "a problem with a state-mandated billing system change" required by Texas Senate Bill 560, "which required the identification of essential charges that a customer must pay to avoid interruption of service." SBC Reply Br. at 61; McLaughlin Supp. Reply Aff., ¶ 9. This explanation simply does not survive scrutiny. Nothing in Texas Senate Bill 560 requires SBC to identify on its bills the amount that a customer must pay in order to avoid interruption of service. Although the TPUC has promulgated a rule (Rule 26.28(h)(5)) requiring that *suspension or disconnection notices* indicate the specific amount that must be paid for tariffed local services to maintain basic local service, the TPUC's rule does not require that this information be set forth on each month's *bill* – and should have had no effect on SBC's *wholesale* operations.

date. On May 30, SBC admitted to AT&T that the delay was caused by an increase in volumes, and indicated that it will review alternatives to fix the problem.[16]

Nor does SBC's performance data capture its still-continuing failure to resolve the problem of its erroneous inclusion of end-user billing records for intraLATA toll calls in the daily usage files that it provides to AT&T, even though SBC is supposed to route intraLATA calls to AT&T's network for call completion (and end-user billing recording). *See* Chambers/DeYoung Supp. Decl., ¶ 135; Dalton/DeYoung Initial Decl., ¶¶ 210-214. In reply to AT&T's testimony on this issue, SBC asserts that "at least 60 percent of the records catalogued by AT&T were accurately routed over SBC's network, and SBC correctly provided the 10-01-01 record to AT&T," and "only 11 percent of the records identified by AT&T have required actual corrective action by SBC." McLaughlin Supp. Reply Aff., ¶ 12; SBC Reply Br. at 61. SBC is wrong. Virtually all of the 10-01-01 records that SBC provided were *not* correct. AT&T is supposed to receive 10-01-01 records only when an intraLATA call is routed over SBC's network. Instead, most of the records sent by SBC involved either (1) intraLATA toll calls that should have been routed over AT&T's network and should have generated 11-01-01 records (*i.e.*, intraLATA toll records received when a toll call is routed over AT&T's network); or (2) local calls, for which SBC should have provided 10-01-31 records (*i.e.*, local records received when a local call, not a toll call, is placed). As a result, SBC "correctly provided" – at most – only a handful of the 131 records in question.[17] Moreover, as SBC concedes, it still has not completed its investigation of 29 percent of these records, even though SBC has had the records for four months. *See* McLaughlin Supp. Reply Aff., ¶ 12 (stating that "Investigation continues on the remaining 29 percent"). More importantly, SBC's continuing inability to resolve the overall problem – nine months after it was first discovered – is stark evidence of its lack of operational readiness. Chambers/DeYoung Supp. Decl., ¶ 135.

SBC's deficient performance has continued in other respects. For example, in connection with UNE-P orders submitted by AT&T on May 30, SBC returned FOCs for 95 of those orders with confirmed due dates later than those requested. In some cases, the confirmed

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[16] *See* electronic mail message from Dana Blake (SBC) to Helen Lawson (AT&T), dated May 30, 2000 (attached hereto as Attachment 7). To date, however, SBC has offered no formal proposal to AT&T to prevent further untimely deliveries in the future.

[17] The matrix ("issues list") that SBC provided to AT&T on April 20, 2000 with respect to the 131 AT&T records that it reviewed is attached hereto as Attachment 8. AT&T's response, which analyzes each of the "issues" and explains why virtually all of the 131 records were not "correctly provided," is set forth in the May 25 electronic message from AT&T to SBC attached hereto as Attachment 9. The above-described descriptions of 10-01-01, 11-01-01, and 10-01-31 records are the interpretation of the EMI industry standard definitions of those records agreed to by AT&T and SBC.

due dates were 5-7 days later than the due dates requested. These changes in due dates would not be expected, since on most of the orders AT&T requested due dates at least one day (and in some cases, several days) later than the date of the order. Where the due date was identical to that on the order, AT&T submitted the order well before the 3:00 p.m. deadline established by SBC as a condition of same-day provisioning.[18]

Remarkably, in response to AT&T's inquiry about these changes to the requested due dates, SBC advised AT&T yesterday that "The bottom line is that these orders did not MOG and as a result fell to the LSC for handling. The LSC *missed these orders* and *by the time they were recovered* the requested due date was no longer available and as such a new due date had to be given."[19] SBC's explanation validates concerns that SBC's OSS are unable to meet manual order processing demands even at today's order volumes – and that they certainly will not be able to do so for the substantially larger order volumes that can be expected in the future.

Moreover, with respect to 71 of the May 30 UNE-P orders, SBC rendered unsatisfactory performance in the return of status notices. For example:

- AT&T received FOCs for 56 of the orders – but *none* of the FOCs were received prior to the due date that had been requested. On 44 of the 56 FOCs, SBC assigned a due date later than the due date that AT&T had requested.

- For 12 of the orders, AT&T received error messages – *none* of which were received until *after* the requested due date.

- Of the 56 orders for which SBC has sent a FOC, AT&T has received a service order completion notice ("SOC") for only 34 of them. For the remaining 22 orders, the lack of a SOC left AT&T unable to begin billing the customer, since without a SOC AT&T has no assurance that that the order has been completed. In fact, the confirmed date on 17 of these 22 "non-SOC'd" orders has already passed.

- SBC failed to return either a FOC or a rejection notice on three of the orders.

These deficiencies should not have occurred if SBC's systems were operationally ready. For non-complex UNE-P orders like those submitted by AT&T on May 30, SBC should be assigning

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[18] A table comparing the requested due dates ("Due Date") and confirmed due dates ("FOC Confirm") for the 95 orders is attached hereto as Attachment 10.

[19] *See* electronic mail message from Bob Bannecker (SBC) to Lori Hall (AT&T), dated June 13, 2000 (Attachment 11 hereto) (emphasis added).

due dates identical to those requested and should be returning status notices in a timely and accurate manner. The fact that SBC has not done so on these orders is further evidence that SBC currently cannot provide nondiscriminatory access. The defects in SBT's OSS are particularly disturbing because they occurred on a day when AT&T was submitting some of its highest order volumes to date (but still below the volume levels expected when AT&T's market entry is complete).

VI. Integration of Pre-Ordering and Ordering Functions

SBC's reply submission engages in a series of blatant misstatements and factual distortions in its discussion of the integratability of pre-ordering and ordering functions. SBC, for example, states that it "*does not* require CLECs to perform address validation," with the exception of loop qualifications. Ham Supp. Reply Aff., ¶ 44 (emphasis in original). That is untrue, and SBC knows it. Although SBC asserts that AT&T cannot point to, and has not offered, any SBC documentation that contains such a requirement, SBC's own DataGate Developer Reference Guide – which AT&T included with its February 22 reply submission – states:

> For service orders to be processed successfully by downstream preordering and provisioning systems, they must contain a standard service address that will be recognized by those systems. Therefore, *address validation must be performed before an order is submitted.*[20]

Similarly, SBC contends that "the OSS record before the TPUC contains no indication that any CLEC considered integration a necessary prerequisite to market entry in Texas prior to issuance of the BA-NY order." *Id.*, ¶ 43. SBC's assertion is so demonstrably incorrect that, by itself, it calls SBC's overall credibility into serious question. CLECs raised

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[20] *See* Dalton/DeYoung Reply Decl., Att. 6 at 24 (emphasis added). Although SBC cites several specific documents (including the DataGate User Guide) that "AT&T cannot point to" as including an address validation requirement, it conveniently fails to mention the DataGate Developer Reference Guide, which *does* include such a requirement. Ham Supp. Reply Aff., ¶ 44. In fact, SBC not only has included the DataGate Developer Reference Guide in the new section of its Website covering pre-ordering and ordering integration, but has stated that the Guide "provides information to support development of a DataGate interface." *See* Ham Supp. Reply Aff., Att. I-1 at 3 (Accessible Letter No. CLECSS00-080, dated May 19, 2000). In that Website section (Items 4b and 5a), SBC specifically advises CLECs using DataGate to use the Guide to develop programming and to determine "which fields are returned on the pre-order responses that can be used to populate the order." *See* Attachment 12 hereto, at 1-2.

integration as a Section 271 issue in the TPUC's Section 271 proceeding, and in the related OSS collaborative proceeding, long before this Commission issued the *Bell Atlantic New York Order.*[21]

SBC's remaining arguments on the integration issue – which SBC raises for the first time – are frivolous, misleading or irrelevant. First, SBC argues that "the very fact that SBC provides parsed address information in EDI and CORBA's Address Validation function demonstrates that DataGate's Address Validation function is capable of being parsed and subsequently integrated with ordering." Ham Supp. Reply Aff., ¶ 20. This argument is a *non sequitur*. SBC has no difficulty in parsing data successfully, because it designed its systems, established the parsing conventions, and knows how the data should be parsed. CLECs cannot parse successfully because SBC has refused to provide them with the information that they need, including fully documented parsing conventions. *See* Chambers/DeYoung Supp. Decl., ¶¶ 62-63. Furthermore, *SBC's* ability to parse information is irrelevant to the issue of parity. Because SBC's retail operations (unlike CLECs) can submit address information on orders in concatenated form, they do not *need* to parse those data.

Second, SBC is illogical in asserting that, given AT&T's access to SORD, AT&T can avoid invalid address error problems (resulting from a CRIS/PREMIS mismatch) because AT&T "can receive the SORD errors and resolve such errors by manually creating AT&T's own orders . . . in the same manner the SBC retail service representative will manually create orders for SBC's retail operations." Ham Supp. Reply Decl., ¶ 87. Such a solution would effectively require AT&T to abandon the EDI application-to-application interface for SORD -- which , as SBC itself has admitted, is an "ugly" interface that does not meet the CLECs' competitive needs. Dalton/DeYoung Initial Decl., ¶ 109 n. 93; *see also* Ham Reply Aff., ¶ 140 (describing SORD as "a very complex system [that] requires in-depth familiarity for efficient usage"). In addition, SBC does not explain how a CLEC could access SORD to "resolve such errors by creating [its]

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[21] *See, e.g.,* Affidavit of Nancy Dalton filed on April 1, 1998, at 36 (SBC Application, App. C, Vol. 39, Tab 470); AT&T's Submission on the FCC's Analysis of OSS in the *Second BellSouth Louisiana Order*, filed on October 28, 1998, at 7-8 (SBC Application, App. C, Vol. 73, Tab 1196); Affidavit of Nancy Dalton filed on December 10, 1998, at 28, 66 (SBC Application, App. C, Vol. 91, Tab 1375); AT&T Comments on Telcordia Final Report, filed October 13, 1999, at 22, 72 (SBC Application, App. C, Vol. 130, Tab 1826); Transcript of August 28, 1998, work session in TPUC Project No. 16251, at 596 (SBC Application, App. C, Vol. 84, Tab 1266). The TPUC, in response to the CLECs' concerns, discussed the integration issue in the November 1998 Final Staff Status Report and the TPUC's June 1999 order in its Section 271 proceeding.. *See, e.g.,* TPUC Order No. 25 dated June 1, 1999 (OSS Specific Recommendation No. 5) (SBC Application, App. C, Vol. 62, Tab 847); Final Staff Status Report dated November 18, 1998, at 170-171 (SBC Application, App. C, Vol. 75, Tab 1233).

own orders," in view of the fact that SBC's Local Service Center is responsible for correcting (or rejecting) an order that falls out because of errors.

Third, contrary to SBC's arguments, AT&T's experience provides no evidence that CLECs can integrate DataGate successfully with the EDI ordering interface. Given AT&T's extensive evidence of the difficulties that it has encountered in attempting to integrate, it is absurd for SBC to suggest that AT&T's rejection rate for April is evidence that AT&T "successfully integrated SBC's pre-ordering and ordering interfaces." Ham Supp. Reply Aff., ¶ 49. Moreover, many CLECs' rejection rates decreased in April, and SBC has offered no rational explanation for this across-the-board decline. *Id.*, Att. D.[22]

Finally – and significantly – despite SBC's assurances that its May 27 release will facilitate integration of pre-ordering and ordering by relieving CLECs of the requirement that service addresses be populated on conversion orders, SBC has *not* implemented its release as described in its documentation. SBC previously represented that after implementation of the release, SBC would "automatically populate the resulting three service orders (the 'N,' 'C,' and 'D,' orders) with the end user's address contained in the CRIS database." Ham Supp. Reply Aff., ¶ 84. However, on June 12 SBC conceded to AT&T that it had issued jeopardy notices noting a "facility shortage" for UNE-P conversion orders (discussed in Part IV, *supra*) because the assigned house number "was being appropriately populated on the CRIS 'N' and 'D' service orders, but *was not being populated on the 'C' CABS service order,*" which "resulted in an address mismatch for provisioning and a corresponding jeopardy."[23] This problem undoubtedly

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[22] In response to AT&T's evidence that switching from DataGate to EDI or CORBA at this stage would be unreasonable and burdensome at this critical stage of its market entry, SBC asserts that AT&T is "attempt[ing] to obscure the fact that its use of CORBA at this stage of the proceeding is not to its political advantage." Ham Supp. Reply Aff., ¶¶ 47-48. AT&T takes offense at SBC's reckless – and untrue – accusation. AT&T uses CORBA in Texas and Missouri only in connection with orders for cable telephony or fixed wireless, and only because SBC does not require that CLLI or NC/NCI codes be populated on such orders. AT&T cannot use CORBA in these states for UNE-P orders, because SBC *does* require such orders to include CLLI and NC/NCI codes – but does not provide them through CORBA (or EDI). *See* Dalton/DeYoung Initial Decl., ¶¶ 97-98 & n.82. Similarly, AT&T is able to use CORBA in New York for UNE-P orders because, unlike SBC, BA-NY does not require the inclusion of those codes on such orders. These differences, and not "political advantage," explain why switching to CORBA (or EDI) would be difficult for any CLEC currently using DataGate. *See* Chambers/DeYoung Decl., ¶ 61 n. 27.

[23] *See* electronic mail message from Bob Bannecker (SBC) to Julie Chambers (AT&T), dated June 12, 2000 (Attachment 6 hereto) (emphasis added). Although SBC asserted in its message that it had implemented a programming change, effective June 9, to remove this problem, AT&T has not yet been able to determine whether the problem has in fact been fixed.

resulted in an increased occurrence of manual processing of orders, since SBC itself has previously identified such a "mismatch" as one of the "major reasons for fall-out," and apparently erroneously resulted in a directive not to re-use existing facilities – precisely the opposite of the directive that should always accompany UNE-P migration orders.[24]

In addition to SBC's admission that it has not implemented the May 27 release as described in its documentation, AT&T has received five error notices with the address error type "MR0023" ("Invalid Address") for five UNE-P migration orders that it submitted last week. SBC, however, previously represented that this address error type would be *eliminated* by the May 27 release. *See* Ham Supp. Aff., ¶ 26.

In view of SBC's concession, the inclusion of the "MR0023" error type on post-May 27 UNE-P conversion orders, and the experience of another CLEC that demonstrates SBC's failure to implement the May 27 release in an additional respect,[25] SBC has not demonstrated that the May 27 release has been successfully and effectively implemented.

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[24] *See* pp. 8-9 , *supra*; *ex parte* letter from Austin C. Schlick, Esq., to Magalie Roman Salas, dated February 4, 2000 and Attachment 6 thereto (listing, as the first of the "major reasons for fall-out," an incorrect address on a "C" order, combined with an accurate address on the "D" and "N" orders). Although SBC's *ex parte* submission was referring to the entry of an incorrect address on the LSR (and, as a result, the "C" order) by a CLEC, SBC admitted in its reply submission that such a mismatch will lead to manual processing even under its May 27 release, which calls for SBC to populate the "C" order directly from the customer service record. *See* Ham Supp. Reply Decl., ¶ 84.

[25] Prior to implementing the May 27 release, SBC stated that, to the extent that a CLEC populated the end user address field on the End User Form of an LSR involving a conversion after the release was implemented, SBC would disregard the CLEC-populated address and instead use the address information retrieved from the CSR. *See* Ham Supp. Aff.., Att. I-1 – I-2 (SBC Accessible Letter No. CLECSS00-051, dated March 29, 2000); *id.*, ¶ 25. However, at a Change Management Process meeting on June 7, Birch Telcom stated that it received rejection notices on orders that it placed after May 27 with one (but not all) of the address fields populated (for example, an order where a street number was populated with no street name). SBC acknowledged that after implementation of the May 27 release, it had erroneously retained in its systems an edit that required population of all fields if one field was populated. Although SBC promised to remove this edit, SBC has asserted in its June 12, 2000 *ex parte* submission that it plans "no additional programming regarding these edits," because they "should not have any significant operational impact." *Ex parte* letter from Austin C. Schlick, Esq., to Magalie Roman Salas, dated June 12, 2000, at 2.

VII. SBC's Attempt To Compare Itself With Bell Atlantic

SBC frequently attempts to compare itself favorably with Bell Atlantic – New York ("BA-NY"), whose Section 271 application was approved by this Commission.[26] In reality, however, SBC's OSS are vastly inferior to those of BA-NY in several areas that were critical to this Commission's decision to approve BA-NY's application. For example:

- BA-NY has designed and implemented a test environment that mirrors its production environment. SBC, by its own admission, has not done so. *See* SBC Br. at 60; Ham Supp. Reply Aff., ¶ 127.

- BA-NY had already implemented "versioning" at the time it submitted its Section 271 application. *See Bell Atlantic New York Order*, ¶ 110. SBC, by contrast, has repeatedly postponed implementation of versioning, and now prepares to delay it further, until August 12 (long after the Commission must issue a decision on SBC's application).

- BA-NY provides CLECs with customized EDI documentation showing BA-NY's deviations from industry standards. SBC, by contrast, refuses to publish customized EDI documentation and instead publishes some – but not all – of its deviations from industry standards in a series of "Accessible Letters." Chambers/DeYoung Supp. Decl., ¶¶ 36-38.

- Unlike SBC, BA-NY: (1) provides pre-ordering service address information in parsed form; (2) has not required CLECs to include service address information on orders involving UNE platform conversions; (3) provides a fully documented set of its parsing conventions to CLECs upon request; and (4) does not require CLECs to provide CLLI and NC/NCI codes for UNE-P POTS orders. *See* Chambers/DeYoung Supp. Decl., ¶¶ 54 & n.19, 73 & n.32; Dalton/DeYoung Initial Decl., ¶ 97.

In short, far from supporting SBC's application, a comparison of the respective OSS of SBC and BA-NY simply demonstrates why SBC's application should be denied.

For these reasons, and for the reasons stated in the evidentiary submissions that AT&T has previously made in this proceeding (including CC Docket No. 00-4), SBC plainly has failed to comply with its statutory obligation to provide nondiscriminatory access to its OSS.

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[26] *See, e.g.*, Ham Supp. Reply Aff., ¶¶ 39-40, 59, 112-120, 128-132; SBC Reply Br. at 44-45, 56, 60.

An original and one copy of this letter are being submitted pursuant to Section 1.1206(b) of the Commission's rules. Please insert one copy into the public record of CC-Docket No. 00-65.

Sincerely,

Mark E. Haddad (By RY)

Mark E. Haddad

cc: D. Attwood
K. Dixon
J. Goldstein
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S. Whitesell
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